

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY**  
**140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska**

**Minutes**  
January 7 - 8, 2004

**1. General**

- A. Call to Order and Roll Call.** The Board of Public Accountancy was called to order at 8:33 a.m. on Wednesday, January 7, 2004 with Chair William Gaines, CPA presiding. The roll was called with the following members present: William Gaines, Michelle Thornburg, Dean Graf, William Nuckolls, Jim Titus, Richard Zacharia, Doug Skiles, and Anne Fuhrman. Also present were Executive Director Dan Sweetwood and Office Staff Jo Lowe and Kelly Ebert. There were no visitors. The meeting was held at the Board Office at 140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska.
- B. Approval of Agenda.** Moved by Nuckolls, seconded by Titus, to approve the agenda for the January 7-8, 2004 meeting. On a roll call vote, all members present voted aye. Motion #1 carried.
- C. Approval of minutes for the November 5-6, 2003 meeting.** Moved by Nuckolls, seconded by Zacharia to approve the minutes as amended. On roll call vote, all members present voted aye. Motion #2 carried.

**2. Public Comment Period**

Time was allowed on the agenda for members of the public to address the Board with comments. No members of the public were present.

**3. Consent Agenda**

- A. Published Notice of Meeting.** Moved by Thornburg, seconded by Titus, to approve the consent agenda items A, C, and D with item B deferred until January 8, 2004. On roll call vote, all members present voted aye. Motion #3 carried.
- B. Approval of Disbursements.** Questions were answered regarding the disbursements for October and November 2003. Moved by Thornburg, seconded by Nuckolls, to approve October and November disbursements. Accounting information has been turned over to Gary Pavel. Executive Director Sweetwood will follow up on engagement letter. On roll call vote, all members present voted aye. Motion #17 carried.
- C. Review of Board Budget Status Report.** Executive Director Sweetwood has reviewed the budget with the state budget office, and the budget is within state appropriation at this time.
- D. Office Management Report.** The report was included for Board review.

**4. Report of the Chair**

- A. Set fees for 2004.** The Nebraska Board of Public Accountancy (NBPA) Executive Committee recommended the following fees be forwarded to the full Board for approval after receiving budget information, Board spending and budget projections from staff. For Fiscal Year 2005 commencing on July 1, 2004:

Active Permit to Practice be increased from	\$200 to \$210
Inactive Registration be increased from	\$ 80 to \$ 90

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY**  
**140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska**

**Minutes**

January 7 - 8, 2004

Firm Permit Fee be increased from \$100 to \$110

Office fees will remain at \$50, however each office registered with the Board will be required to submit an office fee. Previously, the initial office of a firm was not required to submit a fee but due to law changes in LB 214 the Board may assess a fee to "each" office. This will also include sole practitioner offices. Motion out of Committee to approve the proposed fee schedule effective July 1, 2004. On roll call vote, all members present voted aye. Motion #4 carried.

- B. Board Shirts.** Board Members who ordered shirts received their order.
- C. Executive Director Expectations.** The agenda item was deferred to the Executive Committee.
- D. Notification of Marcy Marsden's retirement from the Nebraska Society of Certified Public Accountants (NSCPA).** Chair Gaines recognized Marcy for all of her years of service to the Nebraska Society of Certified Public Accountants. A letter will be sent thanking her for her service to the accounting profession.
- E. Report on To Do List.** There was no additional report.
- G. Other Miscellaneous Items.** There were no other miscellaneous items.

**CLOSED MEETING**

**Closed Meeting.** Moved by Thornburg, seconded by Nuckolls, that the Board go into closed session at 8:50 a.m., for the purposes of litigation, personnel, and enforcement issues. On a roll call vote all members present voted aye. Motion number #5 carried.

**Return to Open Meeting.** Moved by Thornburg, seconded by Zacharia, that the Board return to open session at 10:30 a.m. Members Gaines, Graf, Thornburg, Fuhrman, Nuckolls, Skiles and Zacharia voted aye. Member Titus was absent. Motion number #6 carried.

**5. Report of the Enforcement Committee**

- A. Rodney Zwygart Appeal/R. Gritit.** Mr. Gritit informed the Board that a Temporary Stay Order with conditions had been issued on November 13, 2003 by the Lancaster County District Court. The Board requested Mr. Gritit monitor the order for compliance.
- B. Rodney Zwygart Request for LMCO.** The Board requested Mr. Gritit monitor any future litigation involving Mr. Zwygart.
- C. John Troshynski Appeal.** The copy of the briefing order from the Attorney General's office was provided for Board information. Briefs will be presented on February 12, 2004.
- D. Open Case Update.** Committee Chair Gaines reviewed the Enforcement summary. He noted that all of the 18 remaining cases are being worked on by staff or are under Litigation Monitoring Consent Orders with the Board.
- E. Recommend Closure of Complaints.** Motion out of Committee to close complaint's #0102030, 03-01, and 03-02 and to notify complainant and CPA of findings. Members Gaines, Graf, Thornburg, Fuhrman, Nuckolls, Skiles and Zacharia voted aye. Member Titus was absent. Motion #7 carried.

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY**  
**140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska**

**Minutes**

January 7 - 8, 2004

- F. Report on To Do list.** Staff is working to resolve open complaints.  
**G. Other Miscellaneous items.** There were no miscellaneous items.

**6. Report of the Quality Enhancement Program Committee**

- A. Report of the Committee.** Committee Chair Graf reported on the Committee meeting. The statistical summary has been completed by staff. The Committee minutes, Statistical Summary, and Quality Enhancement Program (QEP) Criteria for Volunteer Reviewers were part of the Board packet. Motion out of committee to approve the proposed criteria change for the First Level of Quality Enhancement Program Reviewers. Members Gaines, Graf, Thornburg, Fuhrman, Nuckolls, Skiles and Zacharia voted aye. Member Titus was absent. Motion #8 carried.
- B. Report on the To Do list.** There was no additional report.
- C. Other Miscellaneous Items.** There were no other miscellaneous items.

**7. Report of the Licensing Committee**

- A. Ratification of initial permits to practice issued, certificates issued, firm permits issued.** Motion out of Committee to ratify all certificates issued by exam and reciprocity, all initial permits to practice and firm permits issued. On a roll call vote, all members present voted aye. Motion #9 carried.
- B. Reinstatements to Active Permit.** The following Active Permits Reinstatements were reviewed by the Continuing Professional Education (CPE) Committee for completion of 120 hours and forwarded to the Licensing Committee. Motion out of Committee to ratify all reinstatements to active permit. On roll call vote, all members present voted aye. Motion #10 carried.
- Mark Chronister  
Cynthia Huebner  
Patrick O'Brien  
Julie Samuelson  
Marilyn Schroer
- C. Report of the Committee.** Committee Chair Titus gave the report. Minutes of the meeting were part of the Board packet.
- 1.) Chasidey Mulder certificate application.** Motion out of Committee to not approve application for a CPA certificate from Chasidey Mulder because of failure to meet requirements for CPA certificate issuance. A letter prepared will include the appeal rights to appear before the Board. Members Titus, Graf, Thornburg, Fuhrman, Nuckolls, Skiles and Zacharia voted aye. Member Gaines voted nay. Motion #11 carried.
- 2.) Certificate/Permit Document.** The State Print Shop is preparing ideas for the committee to review.
- 3.) Letterhead from CPE committee with two professional titles.** AICPA Professional Standards 78.155 & 156 does not prohibit the use of both professions on one letterhead.
- D. Hearing to Return Certificate to Good Standing for Gilbert Alberti.** At 11:12 a.m., the hearing for Mr. Alberti commenced, with exhibits entered into the record. Mr. Alberti was present to answer questions. The hearing ended at 11:25 a.m.. Moved by Graf, seconded by Zacharia, to return

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY**  
**140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska**

**Minutes**

January 7 - 8, 2004

his CPA certificate to Good Standing, with a \$250 administrative fee. All members present voted aye. Motion #12 carried.

**E. Quick Poll results of "temporary" permit question.** Results of the quick poll were discussed. The Board directed Staff to obtain further information and examples of forms from surrounding states, and report back to committee.

**F. NASBA Proposal for Licensing.** Executive Director Sweetwood contacted Pat Hartman of National Association of State Boards of Accountancy (NASBA), who reported that a presentation was being prepared. NASBA will present to the Committee with a recommendation to be forwarded to the Board.

**G. Update on Response to Non Renewals and CPE Deficiencies certified letters.** Responses were received from about half of the list or 22 licensees. Staff was directed to follow up with each of those who did not respond to make sure they are not holding out as CPA's and report to the Licensing Committee. The Committee asked to have full Board discussion regarding the enforcement of 1-137.09 that allows for revocation of certificates if no action has taken place after three years. Staff was directed to determine 1. Who has not applied for their permit three or more years after receiving their certificate? 2. How many certificates have had no action for longer than three years? 3. How long has it been since the certificate was issued or the last time a Registration of Certificate was received?

**H. Report on To Do list.** The Committee's To Do list is on-going with issues posed to Committee Members on a regular basis. The minutes of the committee meeting are included in the list.

**I. Other Miscellaneous Items.** There were no miscellaneous items.

**13. Report of the Continuing Professional Education Committee (CPE)**

**A. Report of the Committee.** Committee Chair Nuckolls presented the report.

**B. Letter from Attorney General/Title 288, Chapter 8 recommended amendments to proposed Rules.** Motion out of committee to approve the minor changes to the Rules Title 288: Chapter 8 as proposed by the Attorney General. On a roll call vote, all members present voted aye. Motion #13 carried.

**C. Ratification of Approved CPE Course Evaluations.** Motion out of Committee to approve the CPE staff program evaluations. Members Gaines, Graf, Thornburg, Fuhrman, Nuckolls, Skiles, and Zacharia voted aye. Member Titus was absent. Motion #14 carried.

**D. Report on the Quick Poll regarding Ethics Requirements in other states.** The report was provided to Board members. Staff was directed to contact three additional states for further information on ethics requirement.

**E. Update on CPE Deficiencies.** CPE Committee reviewed the results of the certified letters sent to those deficient in CPE. Action was deferred to the Licensing Committee.

**F. NASBA Consistency for CPE Reporting.** Executive Director Sweetwood received a letter from NASBA requesting consistency in CPE reporting regarding NBPA accepting CPE courses, especially NASBA courses, approved in other states. NBPA Board policy is to approve CPE courses individually. Executive Director Sweetwood reported this policy to the NASBA CPE committee.

**G. Report on To Do list.** There was no additional report.

**H. Other Miscellaneous Items.** There were no other items.

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY**  
**140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska**

**Minutes**  
January 7 - 8, 2004

**CLOSED MEETING**

**Closed Meeting.** Moved by Thornburg, seconded by Nuckolls, that the Board go into closed session at 2:34 p.m., for the purposes of enforcement, litigation, and personnel. On a roll call vote, all members present voted aye. Motion number #15 carried.

**Return to Open Meeting.** Moved by Graf, seconded by Zacharia, that the Board return to open session at 4:37 p.m. On a roll call vote, all members present voted aye. Motion number #16 carried.

**8. Recess**

The Board recessed at 5:06 p.m. on January 7th, 2004.

**January 8, 2004**

**9. Formal Hearing - Title 288: Chapter 6 & 9 - Proposed Rule Changes, 8:30 a.m. to 9:30 a.m.**

The Board conducted a formal public hearing on Rule changes to Title 288: Chapters 6 & 9. Dan Vodvarka, President of Nebraska Society of CPA's, testified in favor of the proposed Rule changes on behalf of the Nebraska Society of CPA's Board. No other testimony or written comments were received.

**10. General**

**A. Call to Order and Roll Call.** The Board of Public Accountancy was called to order at 9:32 a.m. on Thursday, January 8, 2004 with Chair William Gaines, CPA presiding. The roll was called with the following members present: William Gaines, Michelle Thornburg, Dean Graf, Jim Titus, William Nuckolls, Doug Skiles, Richard Zacharia, and Anne Fuhrman. Also present were Executive Director Dan Sweetwood and Office Staff Jo Lowe and Kelly Ebert.

The meeting was held at the Board Office at 140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska.

**11. Public Comment Period**

There were no members of the public present.

**14. Report of the Education and Exam Committee**

**A. Report of the Committee.** Committee Chair Thornburg presented the committee report.

**1.) Reciprocal Application Review contract with Certified Public Accountant Examination Services (CPAES).** Until the contract has been revised following recommendations by the Attorney General's office, this item will be deferred to the next Board meeting.

**2.) National Candidate Database.** NBPA must provide the five-year history of exam candidates. CPAES will send programmers, if need be, to get the data from our system at no cost to

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY**  
**140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska**

**Minutes**

January 7 - 8, 2004

NBPA. Executive Director Sweetwood has worked with the Attorney General's office regarding confidentiality concerns for transferring the data. Staff was directed to send a thank you letter to CPAES for the successful transition to them for exam services.

**B. Ratification of Title 288: Chapter 6 & 9 Rule Changes.** Motion out of Committee to approve Title 288: Chapters 6 & 9 revisions, with unsubstantial changes, and direct the staff to file them with the Attorney General's office. On a roll call vote, all members present voted aye. Motion number #18 carried.

**C. Education Advisory Committee (EAC) Meeting Report.** Committee Chair Thornburg reported on the December 18, 2003 EAC Annual Meeting conference call. Meeting minutes were included in the Board packet. Staff will add to the To Do list items from the Committee meeting.

**D. Certified Public Accountant Examination Services (CPAES) Issues.** National Candidate Database had already been discussed and there was no additional information.

**E. Computer Based Testing (CBT) Fee Recommendation.** Motion out of Committee to initiate a \$15 NBPA administration fee for first time exam candidates beginning April 5, 2004. On a roll call vote, all members present voted aye. Motion number #19 carried.

**F. Report on To Do List.** There were no additional items reported.

**G. Other Misc. Items.**

1.) Approval of Exam Grades. Moved by Thornburg, seconded by Titus, to approve the November 2003 exam grades, subject to staff review. On a roll call vote, all members present voted aye. Motion number #20 carried. Staff will provide Board members a list of successful exam candidates that are not to be released until February 2, 2004.

2.) Computer Based Test (CBT) Exam Grade Approval Process. Moved by Thornburg, seconded by Zacharia, that the Chair of the Education and Exam Committee approve the Computer Based Test (CBT) exam grades upon commencement of the CBT Exam, with other Committee members as back-up should the Chair not be available. The exam grades will be ratified by the Board at their next regularly scheduled meeting. On a roll call vote, all members present voted aye. Motion number #21 carried.

3.) CPAES Report on November Exam. The CPAES Report is being revised and will be sent to Board members when available.

**14. Report of the Legislative Committee**

**A. Proposed Legislative Re-write Status.** Chair Gaines gave the committee report. The re-write has been put on hold until next year. Both the NSCPA and NBPA Executive Directors will continue to meet regarding a joint effort for the re-write.

**B. Status of Lobbyist.** Paul O'Hara was requested to update the Board at the March Board Meeting on legislative issues.

**C. Report on the To Do list.** There was no report on the To Do list.

**D. Miscellaneous Items.** There were no additional items reported.

**15. Executive Directors' Report**

**A. Computer System Issues.** The Executive Director reported that we have received permission from Department of Administrative Services/Purchasing to move ahead on the Request for Proposal

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY**  
**140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska**

**Minutes**

January 7 - 8, 2004

(RFP) for consulting services on the Board's Technology Plan. Board Member Skiles met with Rod Armstrong, Nebrask@ Online (NOL) and Executive Director Sweetwood to discuss potential inter-active online applications such as CPE Reporting and Licensing.

**B. NBPA Budget.** Information on fee increases was included in Item 4-A of the Board packet along with the Budget Status Report, Item 3-C.

**C. Staffing & General Office Issues.** The State Print Shop will be used to help the staff with mass mailing distributions such as CPE reporting forms, permit renewals, and postcards for Annual Register requests. Intern Jess Paisley is doing a great job helping with office tasks and learning about the Board.

**D. Annual Register 2003.** The 2003 Annual Register request postcard is scheduled to be mailed to all CPA's in late January 2004.

**E. Newsletter/Website Bulletins.** The Board agreed with the possible concept of using the Nebraska Society of Certified Public Accountants (NSCPA) newsletter to update licensees on Board matters. The Board requested that the revised Statute and Rules be sent to all licensees in the future once amended.

**F. Report on To Do List.** The To Do list was attached.

**G. Board Calendar.** Corrections/additions were noted and will be added by staff.

**16. New Business**

**A. National Association of State Boards of Accountancy (NASBA) Items**

- 1.) Copies of the Regional Directors Focus Questions submitted by NBPA and Answering the Sarbanes-Oxley Challenge was provided to Board members.
- 2.) Moved by Nuckolls, seconded by Thornburg, to send a letter to the NASBA Nominating Committee in support of Diane Rubin, California CPA, as the candidate for NASBA Vice Chair. All members present voted aye. Motion #22 carried.

**B. Other Miscellaneous Items.**

- 1.) The AICPA Board of Examiners has a position opening. Chair Gaines recommended Nina Kavich for the position. Moved by Thornburg, seconded by Skiles, to send a letter of support on Kavich's behalf. All members present voted aye. Motion #23 carried.
- 2.) Member Zacharia serves on the NASBA CPE Committee. The NBPA supports Board member involvement and recommended that if available Member Zacharia attend the NASBA CPE Conference in Savannah, Georgia on February 9-12, 2004.

**17. Adjournment**

Moved by Zacharia, seconded by Titus, that the Board adjourn at 11.40 a.m. on Thursday, December 8, 2004. On a roll call vote, all members present voted aye. Motion #24 carried.

Respectfully submitted by,

Michelle Thornburg  
Board Secretary

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY**  
**140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska**

**Minutes**  
January 7 - 8, 2004